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CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

SECRET

16 April 1946

TO: L-4

FROM: M-4

SUBJECT: Penetration of the U.S. and Brazilian Legations
in Finland 1942-1944

SOURCE: SS Stubar Alarich BRCHS, former head of the German
Security Service (SD) in Finland

(Reference: XX-1-172 (Special Interrogation Report Number 18
dated 23 February 1946))

The attached memorandum, based the above reference
and other information in our files, should be of interest to
the Department of State, and perhaps to G-2.

You may wish to point out in your own cover memo that
the evaluation ("believed reliable") refers to Source and not to
the information given by him, i.e. that it is believed that
Source is giving what he believes to be reliable information but
that we have no way of evaluating the facts themselves.

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SUBJECT: Penetration of U.S. and Brazilian Legations
in Finland 1942-1944.

The following information was obtained during the interrogation of SS Sturab Alarich "BLOOM", formerly chief representative of the German Security Service (SD) in Finland, who had maintained close relations with the Finnish Intelligence Service prior to the Soviet-Finnish Armistice of September 1944 and with the Finnish Resistance Movement until the general armistice of May 1945. The date of this interrogation is 23 February 1946. Evaluation: believed reliable.

1. PRISONER'S CONTACT AT THE U.S. LEGATION, HELSINKI

1. Method of Contact

Through Bertel BLAATSTICK, head of the "Press and News Section" in the "Information Center" of the Finnish Intelligence Service, prisoner succeeded in obtaining a contact in the U.S. Legation at Helsinki. This indirect contact began in Autumn 1942.

2. Description of Contact

a) Position at Legation

Secretary (typist?) employed by the U.S. Military Attache at the Legation in Helsinki, Col. MUTHSTEINER. She was MUTHSTEINER's mistress until his recall to Washington at the end of 1942 or the beginning of 1943, when she became the mistress of the representative in Helsinki of the vacuum cleaner firm Nilfisk.

b) Personal Details Known

Prisoner cannot remember the woman's name, but believes that her father was of Swedish or Finnish origin. Her mother was reputedly American; she moved exclusively in anglophile circles. She was young (approximately 22), a great swing-dance enthusiast and a friend of the singer Gaby ROSS. ROSS is believed, according to the prisoner, to have worked for the U.S. Intelligence Service and had tried hard to attach herself to a German colonel at the Intendantur in Helsinki.

3. Function

The contact reported remarks made by MUTHSTEINER to BLAATSTICK, who in turn repeated the information to prisoner. After MUTHSTEINER's departure, the contact continued her activity in an eavesdropping role in the Legation building.

Prisoner asserts that the information passed was of no great importance and the contact was dropped after six or seven months. In prisoner's opinion, the contact was not aware of the quarters which were ultimately receiving her information.

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4. Reports to Finnish Police

On the other hand, the contact consciously reported to the Finnish State Police. SIAKISTAMU learned of this through an indiscretion on the contact's part, and decided to tap in on this channel. He succeeded in 'planting' a lady friend in contact's circle and was thus kept informed of information passing to the Finnish State Police.

5. Other Organizations Interested in Contacts at U.S. Legation

a) General Background

The German Intelligence Service Counter Espionage Section (III F or KO Finland) had very few contacts of its own, but derived the bulk of its information from the Finnish State Police or Finnish Abwehr.

These two latter organizations worked in the most intimate collaboration. Prisoner suspects therefore, that ANTONI, Chief of the Finnish State Police, and KAISANEN, his expert on Alien Control, deliberately, and with the connivance of the Finnish Abwehr, supplied III F of KO Finland with Counter Intelligence information. It was thus hoped to relegate the III F station, as a competitor for information, to a dependant position.

b) Position in August 1944

Prisoner became aware of the extent of III F's dependency upon the Finnish State Police in mid August 1944. From a chart of all III F contacts Prisoner noticed that these were nearly all controlled by the Finnish State Police.

c) Contacts at U.S. Legation known to Head of III F

This chart showed two or more contacts, one of which was unmistakably Col. HUTHSTEINER's traitor.

d) Typist's Move to Stockholm

In spring 1944 the typist in question had moved to Stockholm with the last U.S. Charge d'Affaires in Finland, Mr. L.C. CLINTOCK. Prisoner adds that if he had eventually moved to Stockholm himself, as had been often contemplated before and after the breaking off of Finnish-German diplomatic relations, he intended to exploit this source further in Sweden.

e) Soundings of U.S. Military Attache in Helsinki by Danish Journalist

HUTHSTEINER was succeeded by Col. NEFF at the end of 1942 or the beginning of 1943; NEFF was succeeded by Col. COL- DIER in the capacity of U.S. Military Attache at the Legation.

A Danish journalist, whose name Prisoner has forgotten, sounded COL DIER very successfully. Prisoner further asserts that this journalist was in touch with the Finnish State Police and Finnish Abwehr respectively.

f) Chart of Contact System for Foreign Legations in Helsinki

The position of the U.S. Legation contact is shown in the Annex.

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II. PRISONER'S CONNECTIONS WITH THE BRAZILIAN LEGATION, HELSINKI.

1. Relationship between Thor OILPNE and De SOUZA-DANTAS

Thor OILPNE, a Finnish engineer from Helsinki, formed a personal friendship with the Brazilian Ambassador to Helsinki, De SOUZA-DANTAS. OILPNE had let his furnished house in Helsinki to the Ambassador, and had since that time cultivated a social relationship.

2. OILPNE's Relationship to Prisoner

OILPNE reported to Prisoner any information he was able to glean during conversation with De SOUZA-DANTAS. This information chiefly concerned the latter's discussions with the U.S. Charge d'Affaires on the subject of Finland-American diplomatic relations and the possibility of their future severance.

3. Information Gained by Prisoner

It transpired through OILPNE, after a conversation with the Brazilian Ambassador, that in the case of a severance of diplomatic relations between the U.S. and Finland, Brazil would not immediately follow suit. De SOUZA-DANTAS had stated that the Brazilian Legation could, however, send to Stockholm in such an event. Moreover, it had been suggested that the Ambassador himself should be transferred to the Brazilian Legation to the USSR at Kuibyshev, the temporary seat of the Soviet government.

De SOUZA-DANTAS had attempted to engage OILPNE, as a Russian speaker, for a post on his staff in Kuibyshev, should his own transfer take place. OILPNE had, however, declined the offer.

4. OILPNE's Brother as First Secretary at the Brazilian Legation

An added reason for De SOUZA-DANTAS' confidence in Thor OILPNE was that the latter's brother was employed as First Secretary at the Legation, with the task of observing the Finnish Press. He, too, was a close confidant of the Ambassador.

In summer 1942 Bertel SARTSTROM suggested to Prisoner that the First Secretary's cooperation should be sought. A tentative arrangement was actually made by SARTSTROM, but did not bear fruit owing to the Secretary's sudden death at the end of 1942 or the beginning of 1943.

5. Prisoner's Alleged Relationship to ZOLOTOGROFF

Prisoner denies having ever had contact with the chauffeur to the Brazilian Ambassador, ZOLOTOGROFF, or any other chauffeur. He remembers, however, in late summer 1943, an advertisement appearing in the Finnish Press for a chauffeur required by a "Foreign Legation". Prisoner ascertained that this was in fact the Brazilian Legation.

Prisoner asserts that he did not succeed in "planting" a contact in the job, but thinks it highly probable that the

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Finnish State Police or Finnish Abwehr managed to do so. In such a case, information from this source would also have reached III F of KO Finland.

4. Chart of Contact System for Foreign Legations in Helsinki

The position of the Brazilian Legation contacts is shown in the Annexes.

BII. ADDITIONAL RELATED INFORMATION ON FILE

1. A certain Mrs. JOHNSON, a U.S. citizen by marriage, is known to have been approached by the Finnish Intelligence Service in 1943 to undertake penetration work in the U.S. Legation at Helsinki, where she was employed.

2. The British Intelligence Service learned in May 1943 that an employee of the American Legation in Helsinki was giving information to the head of the SD in Finland. This case was taken up jointly by British and American Intelligence, and suspicion centered on Margaret SODERSTROM, a telephone operator in the U.S. Legation in Helsinki. SODERSTROM was the daughter of a Finnish sea captain and the sister of a Finnish army officer. SODERSTROM appears to have been almost completely exonerated and the guilt pinned on a Finnish national, T. OYLEFNE, assistant to the Brazilian Charge d'Affaires in Finland. The conclusions of the British Intelligence Service were that OYLEFNE was definitely implicated and that SODERSTROM had probably helped the German Intelligence Service unknowingly or under duress.

3. H. SPARRIS-HERSTIAN, a Danish resident of Helsinki, was reported in October 1943 to be an acquaintance of the then American Charge d'Affaires to Finland and to be connected with espionage. It was stated that the American Charge d'Affaires had made arrangements to employ an ex-servant of SPARRIS-HERSTIAN. When these arrangements fell through, the Charge paid the servant a certain compensation through the intermediary of the above mentioned Margaret SODERSTROM. According to this report, it was "perhaps significant that shortly afterwards the servant was interrogated by the Finnish police concerning this payment". SPARRIS-HERSTIAN may have been connected with the above leakage of information from the U.S. Legation in Helsinki.

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OYLEFNE, T. ex Finland Assistant to Brazilian Charge d'Affaires in Finland, suspected of penetration activities for SD at American Legation in Helsinki. May be identical with Thor Oylefne, SD informant who furnished information on Brazilian Legation in Helsinki, Finland and on Finno-American diplomatic relations.

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ANNEX

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CHART OF CONTACT SYSTEM FOR FOREIGN LOCATIONS
IN FINLAND

U.S.
Miss X.

Foreign Locations

BRAZIL

De SOUZA-
DANTAS
(Thor GILFME's
brother as
1st Secretary)

Finnish State Police

Alien Control

Miss X's
Private
Circle

Material obtained
by agents of Finn-
ish State Police,
together with
certain contact re-
commendations
passed to

Finnish Abwehr

Information Center
News and Press

SWASTISCH (tentative arrangement)

German
Security
Service

Thor GILFME
in private
contact with
Brazilian
Ambassador

III F of
KO Finland

Occasional personal contact
of chief of German Security
Service with chief of III F
of KO Finland

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